

February 20, 1976

SENATOR SCHMIT: Senator Keyes, Mr. President, may I respond to that.

SENATOR KEYES: Wait a minute. I will respond to one other part of this. Under normal trade, setting up buying meat in Nebraska from the packing houses is usually 30 days or 15 days, and by statute, you are going to set down and tell the people who buy meat in the State of Nebraska that they have to pay for it within seven days. Is that what this new one is? I think it is seven days. Well, there is no system today in operation that works on seven days, seldom does it work on 15 but usually works on 30 days. Now I don't understand why we want to put a hardship and a string around the neck of the packers in the State of Nebraska forcing them to do something that is not in conjunction with their way of operating financially. No, I think this bill right now as it is written and as it is being amended in to is probably one of the most, worst things that is going to happen to the meat packing industry in Nebraska. It is going to mean that you feeders, when you sell your meat, you are going to be at a disadvantage in the State of Nebraska from selling to foreign, to markets outside of the state, and it is also going to mean that if you are going to operate in Nebraska, you are going to operate under a system of paying for it that is not congenial to credit that is offered now. Thirty days has been the normal and I can't understand why anybody would want to bring it down to seven days or fourteen days and why you would say that the packing industry cannot operate freely in Nebraska as it does in other states.

SENATOR SCHMIT: Mr. President, Senator Keyes, I would wish that you would pay attention because first of all it is my intention and the intention of the Committee to protect the very person and the very institution which you claim we are trying to endanger. The purpose of this bill is to protect the packer. Now we have required prompt payment all the way through the line in the production of beef. The feeder pays the rancher promptly. When the feeder sells the cattle to the packer, the packer is required by law to pay within forty-eight hours, not within seven days. He must pay within forty-eight hours. The retailer, in the past, has not paid within forty-eight hours or seven days. He has paid when he darn well pleased and usually within about twenty days. This provision, as I pointed out, requires payment within seven days but it does also make the provision that no discounts are to be allowed unless they are approved, approved by the packers and stockyards representative. Now if a retailer receives a shipment of meat and there is a problem with the meat, then all he has to do is call the P & S Division, who are the persons who are properly supervising the distribution of the meat in the system and he can verify any discounts that is allowed and then the retailer just simply sends a check for the balance. You refer to the fact that neutral parties should be involved. When the packer ships the meat East, he is not there to check the meat himself. He has to rely upon someone at the point of delivery. In this case, it has been the retailer who has been making that decision